



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 14, 2000

Lon Thomas
American Stone, Inc.
4040 South, 300 West
Salt Lake City, Utah 84107

Re: Permitting Status of Peoa Quarry, M/043/012, Summit County, Utah

Dear Mr. Thomas:

On March 13, 2000, Beverly Thomas faxed a copy of Summit County's tentative decision on a Temporary Use Permit for your Peoa Quarry to our office. In a subsequent phone call, Beverly asked if we would prepare a letter to help you respond to Conditions #1, 9, and 10.

Condition #1 states that the Temporary Use Permit is valid for a five- year period and that all reclamation work must be completed by the end of the term, unless further approvals are granted by Summit County. The Division recognizes Summit County's authority and the issuance of our large mining permit for this site will not negate or supercede the County's jurisdiction. However, we have coordinated with several counties within the state (including Summit County) as far as coordinating permit terms and other conditions associated with mining operations. A five-year permit term is generally considered a reasonable time period for permit renewal. The Division issues life of mine permits, but reevaluates the permit and the bond estimate for adequacy and accuracy every five years. Reclamation is usually required upon termination of mining operations. If the mine enters an extended period (5 years) of suspended operations, the Division can require reclamation of the site. Contemporaneous reclamation (during operations) of disturbed areas that will no longer be used is also encouraged and required by rule.

Condition # 9 requires the operator to continue to work towards obtaining a Large Mining Permit from DOGM as soon as possible. The County asked for written documentation stating that mining operations may continue during the interim time until the permit is approved; and that a copy of the Large Mining Permit be submitted to Summit County when approved. Currently, the Division is reviewing your February 11, 2000 response to our latest technical review comments. We anticipate completing our review of this submittal by March 31, 2000. Presently, the operator is authorized to continue operations within the existing footprint of surface disturbance until the permit is finalized; so long as the permitting process continues in an expeditious manner. We agree

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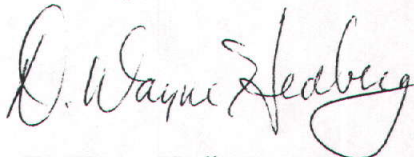
to provide Summit County with notification of final permit approval and any outstanding conditions once the large mine permit is finalized and issued to American Stone/Star Stone Quarries, Inc.

Condition #10 requires the operator to post a \$102,900 bond with this Division for cleanup and reclamation of 24.3 acres of proposed mine site disturbance. Summit County will hold an additional \$5,000 bond for removal of the 2 trailers presently on the mine site. The bond amount may be reduced upon approval of the State and Summit County, if it is determined that sufficient reclamation has occurred and the area of the quarry operation has permanently been reduced.

The \$102,900 reclamation cost estimate required under this condition was based upon our preliminary evaluation of the proposed reclamation plan. The final amount of required reclamation surety will reflect estimated third party costs associated with the final approved reclamation plan for this site. The Division can recognize the \$5,000 being held by Summit County for removal of the two trailers and will not include that amount in the final bond. However, we will need confirmation that the monies will not be released by Summit County without the prior written consent of our agency. We presently hold a \$25,000 interim reclamation surety for this site.

We hope that this letter will provide the necessary clarification and information that you currently need to satisfy the concerns of Summit County. If you have additional concerns or questions, please don't hesitate to call.

Sincerely,



D. Wayne Hedberg,
Permit Supervisor
Minerals Reclamation Program

jb
cc: Lesley Burns, Summit County Planner
Mary Ann Wright, DOGM
Lynn Kunzler, DOGM
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